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GAMBIT DORIAN CORONA ARGON QUILL LANYARD FULCRUM

OXCART IDEALIST [redacted] AKINDLE [redacted]

July 29, 1964

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

SUBJECT: Comments on the 23 July 1964 Memorandum to ~~(S)~~ DNRO from DCI, BYE 4588-64

The same headings are used as in the referenced memorandum.

Paragraph 1. No comment.

GENERAL

The budget for Program A for 1965 was developed against a detailed launch schedule and statement of R&D objectives which was transmitted by ~~(S)~~ DNRO to Director, Program A, for his guidance. His budget was submitted by the deadline set, was responsive to the guidance given, and was supported by very detailed back-up information. Consequently, it has been possible to review the budget expeditiously and arrive promptly at many decisions.

In response to guidance given, the Director, Program A, submitted alternate budgets. His lowest alternate figure was [redacted]. This was reduced by ~~(S)~~ DNRO action to [redacted]. Some of the reductions were made by explicit elimination of activities proposed by the Director, Program A; others were essentially arbitrary, as will be noted later. In the cases of these arbitrary reductions, it yet remains for the ~~(S)~~ DNRO and the Director, Program A, to develop the details of the program to be accomplished under the reduced ceilings.

The tentative budget of Program A as submitted to you and the DCI on July 16th appears as [redacted]. This is a formal figure, based on the assumption that [redacted],

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reprogrammed late in FY 64, will be applied to the development of G3. In practical fact, the money proposed for Program A in FY 1965 is [redacted]. This is [redacted] more than the President's budget. The [redacted] increase has already been mentioned; the other [redacted] will cover "black" studies to be done in connection with the manned orbital laboratory and will be offset in the total Air Force financial plan by a transfer of [redacted] from Air Force sources.

The submission of the Director, Program B, was developed against only general guidelines from ~~(S)~~ DNRO, relating mostly to format and timing. The Director, Program B, established the detailed program and schedules against which his budget was figured. His initial recommendations reached me on 8 June, three weeks later than the deadline set in the original instructions. Since the original submission of the Director, Program B, there has been an addendum submission received about July 9th and two briefings, not fully consistent with each other.

During the period since receipt of the Program B recommendations, the ~~(S)~~ NRO Comptroller has been in regular consultation with the Program B staff to establish detailed background for and justification of the Director's recommendations. The material used for discussion on 20 July reflected my recommendations based on the then current state of my understanding of the Program B resolutions. There have since been approved increases to the photographic and countermeasures accounts.

Paragraph 2. No comment

Numbered Paragraph 2. No comment

SPECIFIC

CORONA J. The funds recommended for CORONA J include all of those that are required for the conduct of the program, whether contracting is done through CIA or Air Force channels. This is the budgeting procedure that was followed in Fiscal 1964.

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At the present time, funds have been released to CIA to cover current needs of all contracts presently in force; no funds have been authorized for subsequent contracts that will be required to complete the program in Fiscal 1965. The DCI comments that he has given serious thought to the introduction of Aerospace Corporation into the CORONA program and has concluded that such a move would be "most undesirable". This is not quite consistent with his statement to me on 28 May 1964 as recorded in my Memorandum of Record of that date. In any case, the inclusion of Aerospace Corporation as systems engineer and source of technical direction on the CORONA program is an integral part of the whole issue of centralized management of the CORONA program. I do not intend to accede to the Director's request to continue permanently the present arrangement without explicit direction from you or the Secretary of Defense to do so.

ARGON. No comment.

CORONA OCV. The [redacted] appearing in the budget against this item is to fund the engineering and fabrication of four conversion kits to adapt the GAMBIT Orbital Control Vehicle to carry the CORONA camera. With these kits on hand, a launch of the CORONA camera in a GAMBIT vehicle can take place seventeen weeks after boosters and cameras are committed. Four kits suffice to cover monthly launches in this configuration during the period required to fabricate further conversion kits. I consider that this capability, rather inexpensively acquired, has several values. First, as originally proposed, it provides some degree of competition to Lockheed. Second, and probably in the long run more important, it gives the CORONA program an opportunity to fly in a considerably more versatile and flexible vehicle. In particular, by far the best protection we have today against attack upon our satellite vehicles is to alter the orbit from pass to pass to prevent targeting by a Soviet attack system. Under our vulnerability program, we have engineered a limited capability for orbit adjustment into the present CORONA system. The capability is limited by the

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weight carrying capacity of the booster; in turn, the presence of this capability limits the orbits available to the CORONA system. Neither of these limitations would apply if the CORONA cameras were flown in an OCV; in particular, the amount of orbital adjustment available for dodging an enemy attack would be vastly greater than that allowed under our present development.

GAMBIT. The developmental activities necessary to bring the GAMBIT resolution down to about 2 feet are almost completed; any additional funding that is required is included in the present GAMBIT budget. Most of these developments will have their effect during Fiscal Year 1965.

GAMBIT-3. No comment.

QUILL. A briefing on QUILL can easily be supplied. However, present planning would terminate the QUILL program with two launches in FY 1965, and the bulk of the costs have been paid in FY 1964.

417. I have several times given thought to the possibility of transferring 417 into the Air Force Systems Command. I am convinced that the phenomenal performance of the small project office that has run this program up to this time would be completely destroyed if it were submerged in the Systems Command. It is in the interests of (1) efficiency, (2) morale of the highly competent people involved, and (3) maintaining an effective DoD position in the Weather Satellite business that I recommend 417 be continued under ~~(6)~~ NRO management.

SIGINT. In truth I share some of the DCI's concern whether this program is really producing. On the other hand, this is an area which has had altogether too many comprehensive analyses. There is no more complete and detailed statement of requirements anywhere in the military literature than that which applies to the SIGINT program. I am sure that the DCI could be briefed on this matter. I am equally sure, however, that he would get little information useful to him from such

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a briefing and I recommend that we do not consider this budget item as contingent upon his being informed.

NEW GENERAL SEARCH. In developing a preliminary financial plan for FY 64, approximately a year ago, I included parallel developments of two new general search camera systems, scheduling a decision point for selection between the two or possible cancellation of both. The program included adequate boosters and payloads to allow for R&D launches on the new development and to allow for operating under any of the three conditions that might result, i.e., adoption of one or the other of the new systems or adoption of neither. During June of 1963 a Panel, convened by the DCI to review the (TS) National Reconnaissance Program, stated that in their view it was premature to consider major efforts toward developing an improved General Search System. This Panel recommended instead that every effort be devoted to improving as much as possible the performance of the CORONA system. A report of this Panel dated 3 July 1963 was transmitted to me by the DCI. This was then, has been until today, 29 July 1964, the only written statement bearing on the requirement for a development of a new General Search System that I have officially received, other than the original USIB statements of 5 July 1960. On the strength of this Panel report, I took a convenient way out of severe financial difficulties in FY 64 and scratched all consideration of a new General Search development in the FY 64 Financial Plan. The (S) NRO budget for FY 65 and following, submitted in the fall of 1964, provided for initiating development of a new system, characteristics unspecified, in FY 65, and initiation of a second new system, characteristics also unspecified, in FY 66. During the past winter and spring it became evident that a new pointing system, now called G3, was completely feasible and desirable. It has been my plan, as indicated in the present financial plan, to utilize the money budgeted in FY 65 for a new system, plus other money made available by savings and reprogramming, for the development of G3.

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During the fall of 1963, after cancellation of LANYARD, studies of new systems were undertaken with ITEK. These studies were directed exclusively toward general search systems at the time that it became evident that G3 was overwhelmingly the most desirable approach to a new pointing system. Guidance that went out to the Director, Program A, for preparation of his Fiscal 1965 budget plan directed him to plan on the initiation of a new general search system at such a time during Fiscal 1965 as information from the ITEK studies and others would make a rational selection possible. The Director of Program A submitted alternative budgets assuming a decision point during December 1964. His lowest estimate for initiating development in FY 65 of a new general search system was [redacted]. The item of [redacted], carried in the financial plan at the present time, represents an arbitrary reduction made to close the budget at the figure established in the President's budget, as increased by [redacted] to be transferred from the Manned Orbital Laboratory. This New General Search item represents one of several sources of funds which can be used should the development of a new general search system be decided upon during Fiscal 1965.

SATELLITE CONTROL FACILITIES. The DCI requests "full justification" for this item. This item represents the bulk of the funds used to support the tracking, telemetry and on-orbit control functions required in our satellite operations. It is not a new item, but has been separated from system costs for the first time in FY 1965 for several reasons. It is a strictly DoD support function and I see no reason why the DCI should be interested in any details. We can however overwhelm him with details if this is desirable.

APPLIED RESEARCH/ADVANCED TECHNOLOGY. This item is being carried at an arbitrary figure of [redacted], representing a reduction of [redacted] from the submission of the Director, Program A. At the present time, details on this item are not complete. I will be glad to brief the DCI on these details

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when they are available. The Director again asks for "full justification". I am pleased to give him information, but I think we should be the judge as to whether the information constitutes justification or not.

AFSSPL. The Director quotes an opinion that the Eastman Kodak facility for development of film is not being used productively with the result that a "very considerable amount of Eastman's knowledge in the field of film processing is being sacrificed." In my judgment, there is no element of Eastman's knowledge of film processing that is in any way being ignored or sacrificed. One can raise the question whether personnel, equipment and facilities, either at Eastman Kodak or at the AFSSPL at Westover AFB are being efficiently used. Annual examinations of this question have been made and so far their results have appeared inconclusive. I have some hopes that a current investigation of the matter will lead to conclusions. The budget figure that is established for AFSSPL in our budget for Program A, and the budget figure in Program B, established for Eastman Kodak's film processing activities, reflect conclusions already drawn from the analysis now going on. I will be glad to present the results of these analyses both to you and the DCI when they are available. The essential problem is a simple one. A highly trained organization exists at Eastman Kodak, beautifully equipped for the very finest processing of film that one knows how to do. This facility is alternately taxed to the utmost and virtually idle as the "take" from various reconnaissance missions comes in for processing. The demands of the intelligence community for very rapid processing of the take once it is available, and for wide dissemination of high quality duplicate copies, make it very difficult to maintain an even flow of work or maintain the appearance of efficient use of this prime asset. A somewhat similar capability manned by military personnel exists at Westover AFB. Without claiming for this facility either the skill or the capability that we know exists at Eastman Kodak, I can state that it is available and is used to some degree for processing of intelligence take. It is not used to capacity

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and its capability could be drawn upon to improve the efficiency of operation at Eastman by smoothing out the peaks of processing load. However, to do this efficiently requires either that some pressure for rapid processing of film be withdrawn or that the intelligence community be willing to entrust to AFSSPL some of the highest quality processing load. I am not yet prepared to make a firm recommendation as to how this dilemma should be resolved. I do not think that its resolution will influence the budget of the AFSSPL because there are no salaries or overtime figures in this budget. The resolution may influence the budget for the Eastman Kodak processing activity which is carried under Program B.

[redacted]. This program is regularly criticized by the DCI and by Dr. Wheelon on every occasion they can find to mention it. I think that some of the criticism is deserved, but I take it fully upon myself because I believe the greatest weakness of the program is that it is not cohesive nor firmly directed toward clearly stated objectives and priorities. The budget figure of [redacted] proposed for Fiscal 1968 is 30% lower than that spent in Fiscal 1964 and less than one-half of that proposed in the President's Budget and recommended by the Director, Program A. This reduction is an arbitrary one and implies only that I feel that the program needs better direction and orientation. I am not prepared at the moment to report in detail on what program will be accomplished for the [redacted]. I have in mind, as stated earlier, that perhaps the most important thing we can do for the more immediate protection of our CORONA system is to provide the great orbital maneuver capability that would result from putting the CORONA camera into the OCV. Purchase of kits as proposed earlier would permit this kind of reaction against Soviet attack in a reasonable time, something short of instantaneous, after an attack was experienced. We could delete the [redacted] item labeled CORONA OCV and increase the [redacted] program to [redacted] if this is what is required to get approval for engineering the CORONA cameras into the OCV.

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MISCELLANEOUS. Again the Director asks for "full justification". These are items such as the MOL effort, first destination transportation, and a [redacted] study.

Program B

First paragraph. While the Program B FY 1965 budget submission totaled [redacted], there were a number of entries which could not be substantiated by specific proposals, and were deleted for the President's budget. For example, [redacted] was recommended by Director B for an unknown covert satellite and [redacted] for an unknown advanced aircraft. In the April 1964 instructions for the FY 1965 recommended program, Director B was given the opportunity to recommend in an addendum budget any requirement which he considered to be necessary above the basic budget, stated to be [redacted]. His June 1964 submission reflected a [redacted] basic and addendum request, compared with a September 1963 submission of [redacted] for the same accounts, involving a reduction of [redacted]. The [redacted] was later supplemented by additional FY 1965 requests for FULCRUM, etc. The [redacted] now identified with Director B is compatible with the [redacted] program, with the difference being solely related to KEDLOCK under Director D.

OXCART. Reductions to date in this program have been accepted by Director B. The only remaining area for resolution is Airborne Electronic Equipment, which is expected to increase above the tentative program. With respect to a possible year-end deficit, experience in FY 1964 would indicate that this is unlikely. The initial Director B FY 1964 recommendation for OXCART was [redacted]. This was reduced in detailed reviews to [redacted], with the understanding that certain accounts would be on an expenditure basis. On 22 November 1963, we received a memorandum that indicated a significant expected deficiency. In contrast, the final FY 1964 data indicate that not only was the funding adequate, but that over [redacted] of obligations above the expenditures could be covered on the service contracts alone, allowing this account to start FY 1965 on an obligation

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basis. Accordingly, there would seem to be no need to recapture KEYLOCK and TAGBOARD funds to restore the OXCART funding originally recommended by the Director, Program B.

IDEALIST. There is no question in my mind that Agency needs for U-2 aircraft can be met for the next several years by conversion of existing U-2 airplanes to a configuration desired by the CIA. Such a converted airplane does not have all the features that one would get in a redesigned U-2L. The cost of going to a U-2L under the presently forecast need would be considerably greater than that involved in converting existing assets. There is no question that the most economical way to provide the aircraft is to modify individual aircraft as they go through the IRAN cycle. I see no need to discuss further or to "reach a decision". I believe we should simply state that aircraft will be made available as justified requirements demand. The FY 1965 budget for Program B includes enough money for modification of three aircraft during the year; arrangements are already being made to have these aircraft modified.

COUNTERMEASURES. All of the OXCART so-called "super-market" program is included in the funds already authorized to the Agency under the Countermeasures line. The remaining justification has not been fully received and the amount not authorized.

[redacted]. No comment.

PHOTOGRAPHIC. This is a DCI mis-statement. Our tentative program allowed [redacted] against Director B's recommendation of [redacted], and we have since agreed to a [redacted] amount.

ADVANCED SYSTEMS STUDIES. In the budget discussion of 20 July, Dr. Wheelon stated that all of his requirements for Advanced Systems Studies had been submitted to us. This then implies that his requirements are for studies of [redacted], FULCRUM, and [redacted]. Indeed, his stated requirements go beyond "studies" and into design and development. Since I do not now intend to authorize to CIA anything like the amounts

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asked for on [redacted] or FULCRUM, inasmuch as I do not believe that development is justified, it seems to me that this item - advanced systems studies - offers money that can be used elsewhere. At the present time I am developing a draft financial plan that includes transfer of the excess in this line to Program A against the new General Search development item.

FULCRUM. No comment.

[redacted]. See comments above.

AKEDDLE. The DCI apparently agrees that this project is contingent upon a clear endorsement by the Special Group. I hear by the grapevine that his people may have already committed funds to it without authorization, but that is their problem.

Program D

R-12 EARNING. The DCI notes a difference of [redacted] between the Director of Program D submission and our tentative authorization. Since the time of that tentative authorization, I have learned that Mr. McNamara is willing to authorize an increase of [redacted] against this item and we believe this will be adequate to meet the major needs of the program in Fiscal 1965. The Director notes the possibility of transferring this program to the regular Air Force budget. This, of course, has been contemplated by Mr. McNamara for some time.

KEDLOCK. Most of the money in KEDLOCK is for flight test and development of a fire control system. The program has not been subject to the same kinds of overrun that were involved in the R-12 program.

TAGBOARD. I believe that the Director will be asked by the Foreign Intelligence Advisory Board at its meeting next week what his views on the TAGBOARD program are.

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DRAGON LADY. No comment.

[redacted] No comment

SUMMARY

It is appropriate to comment on this paragraph that this whole memorandum to me takes a much more imperative tone than any previous correspondence from the DCI save perhaps brief notes or brief paragraphs concerning very specific items, e.g., a change of contract or reassignment of program responsibility. Coming from the DCI, the document as a whole represents in my judgement a complete rejection of the word and spirit of the ~~(S)~~ NRO Agreement of March 13, 1960. Inasmuch as the ~~(S)~~ DNRO is responsible directly to the Secretary of Defense as Executive Agent for the ~~(TS)~~ NRP, the DCI should not assume the authority to direct specific actions or require separate program justifications in a manner that implies exclusion of your office. The series of discussions with the DCI that began on 20 July and which should be completed as soon as possible will fulfill the requirements imposed upon the ~~(S)~~ DNRO by Paragraph III A and K of the 13 March Agreement; namely

"Development on a continuing basis for the approval of the Secretary of Defense and the Director of Central Intelligence of a single National Reconnaissance Program of all projects...."

and

"Preparation of budget requests for all NRO programs, and presentation and substantiation of such budget requests to the Secretary of Defense and the Director of Central Intelligence...."

Until such time as the PFIAB report and recommendations may be acted upon by the President, I very much appreciate your continued support in pursuing a positive and unified approach in our relations with the CIA in the conduct and management of the ~~(TS)~~ NRP.

Signed

Brockway McMillan
Director
~~(S)~~ National Reconnaissance Office

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